UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA

In re:	)	
	)	
Sam Bass Illustration & Design, Inc.	)	Case No: B-16-51021
	)	
	)	

MOTION BY BANKRUPTCY ADMINISTRATOR TO
CONVERT CASE FROM CHAPTER 11 TO CHAPTER 7

The undersigned United States Bankruptcy Administrator for the Middle District of North Carolina, (“BA”) pursuant to Bankruptcy Code § 1112 and Bankruptcy Rule 2015, hereby moves the court for entry of an order converting this case from Chapter 11 to Chapter 7.

In support of the motion, the Bankruptcy Administrator shows the court the following, upon information and belief:

1. On October 3, 2016, the debtor filed a voluntary petition seeking reorganization under Chapter 11 of the Bankruptcy Code. Since the filing of the petition, the debtor has remained in possession of its assets and is a debtor-in-possession.

2. Upon information and belief the Debtor has not filed its 2015 tax return, which is late.

3. According to the December monthly report, actual expenses exceed the income by $4,584.45. At the current level of operation, there is a continuing loss to the estate and no reasonable likelihood of rehabilitation.

4. During December, 2016, the Debtor overspent the budget contained in the Second and Third Interim Cash collateral orders, as supplemented by the Debtor’s “Proposed 30 day budget” (Doc.84) in certain line items in violation of the Court’s Orders.

5. The BA cannot confirm that the IRS Forms 940 and 941 due January 31, 2017 have been filed, or that the tax deposit due for that Form 941 has been paid.

Wherefore, the undersigned Bankruptcy Administrator hereby requests that the court enter an order converting the above-captioned case from Chapter 11 to Chapter 7.

This the 22nd day of February, 2017.

WILLIAM P. MILLER
U. S. BANKRUPTCY ADMINISTRATOR

By: s/ Robert E. Price, Jr.
N. C. State Bar No. 9422

U. S. Bankruptcy Administrator
Middle District of North Carolina
101 S. Edgeworth Street
Greensboro, NC 27401
(336) 358-4170

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CERTIFICATE OF SERVICE

The undersigned certifies that On February 22, 2017, the MOTION BY THE BANKRUPTCY ADMINISTRATOR TO CONVERT CASE FROM CHAPTER 11 TO CHAPTER 7 was served upon the following by first class mail:

Kristen Nardone via electronic service

U. S. BANKRUPTCY ADMINISTRATOR

By: s./ Susan Gattis
Bankruptcy Analyst

U. S. Bankruptcy Administrator
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